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EX PARTE OR LATE FILED

DOCKET FILE NO. 95-116



February 11, 1998

EX PARTE

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

Re: CC Docket No. 95-116, Telephone Number Portability

On February 10th, Link Brown-SBC, Jim Smith-Ameritech, Kathy Levitz-BellSouth, Gordon Maxson and Jeff Olson representing GTE, Elridge Stafford and Brenda Palmquist representing US West and, Augie Trinchese and the undersigned representing Bell Atlantic, met with members of the Common Carrier Bureau's Competitive Pricing Division. The purpose of the meeting was to discuss an alternative proposal for Local Number Portability (LNP) cost recovery.

Key elements of the alternative proposal discussed with the staff include the following:

1. LNP cost recovery for incumbent local exchange carriers (ILECs) would occur in the interstate jurisdiction via a federally approved end user charge.
2. LNP Type I (industry shared) costs would be pooled at a regional level and allocated among all regional NPAC users based on end user (i.e., retail) revenues.
3. Each carrier would be responsible for the recovery of its allocated share of the Type I costs and its own Type II (carrier-specific) costs.
4. ILECs could recover Type I and Type II costs through an optional, flat rate end user charge. The federal end user charge would be developed on a company-wide basis and this uniform federal charge would be applied to all customers.

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ILECs would have the option to forego or cease billing of this charge at any point during the prescribed recovery period, for all customers within a state.

- Per line charge would apply to all business, residence, foreign exchange, feature group A, resold lines and unbundled local switching ports
- Centrex and PRI ISDN would be assessed the charge consistent with the FCC's universal service definitions adopted in CC Docket No. 97-378. Centrex lines would be charged on a 9:1 line to trunk equivalency basis and PRI ISDN on the basis of five times the amount assessed to multi-line business customers.

5. ILECs may begin recovering LNP costs via the federal LNP end user charge on a company-wide (regional) basis as early as March 31, 1998, the FCC-mandated implementation deadline for LNP Phase I MSAs. At a minimum, ILECs should be permitted to begin recovering their costs on a statewide basis once LNP is initially available in a given state. [Note: US West does not support this alternative state by state approach.] ILECs, such as GTE, who serve more geographically dispersed areas would have the option to develop the end user charge based on nationwide total company LNP costs.

The benefits of LNP availability accrue to all customers using the public switched network. Customers in an LNP equipped area would be able to choose to take service from any facilities-based local exchange carriers without having to change their telephone number and every other user of the network will be able to continue to reach the customer who ports to a competitor.

6. Nothing in the Commission's LNP cost recovery order should foreclose an individual ILEC's ability to demonstrate, during the tariff review process, the LNP-specific nature of the Type II costs it is seeking to recover. The Commission should adopt its tentative conclusions from the further notice on LNP cost recovery and allow individual companies to make their case at the tariffing stage. Market conditions and networks vary significantly among ILECs and, generalized, up-front disallowance of specific types or categories of costs should be avoided.

7. Carrying charges (cost of money) can be applied to the total Type I and Type II costs ultimately recovered, as well as a reasonable contribution to joint and common costs.

8. The Commission would cap the LNP flat rate end user charge at "less than \$1.00 per line, per month." Recovery of the end user charge should be limited to a period not to exceed 5 years.

Please include a copy of this correspondence in the public record of the above-captioned proceeding. Please call me if you have any questions concerning this filing.

Sincerely,

Marie Breslin

cc: P. Donovan
J. Atkinson
C. Barnekov
L. Collier
N. Fried
L. Smith